East Lansing
Public Schools

MEMORANDUM

TO: **ELPS Board of Education, Dori Leyko, Superintendent**

FROM: **Richard Pugh, Assistant Superintendent of Finance and Operations**

SUBJECT: **Action Item – Audited Financial Statements for the Year Ended June 30, 2026**

DATE: **October 15, 2026**

Recommendation:

It is recommended that the Board of Education accept the audited financial statements for the year ended June 30, 2026, as presented.

Background:

Districts are required to have an annual independent audit of its year-end financial statements. The audited financial statements will be posted to the District's website per transparency reporting requirements. Dave Nielsen, Principal from Maner Costerisan, CPAs will present the audited financial statement to the Board of Education on October 26, 2026.

Page 51 of the Report on Financial Statements is a nice summary of the General Fund budget to actual results. The June 30, 2026 General Fund fund balance is $13,118,226 (22.5% of total revenues and other financing sources) or a decrease of $1,830,430 from prior year and $625,295 lower than projected in the Final Budget Revision. The large fund balance variance between the Final Budget Revision and actual resulted in a financial statement finding as described on page 84 of the Report on Financial Statements. Actual General Fund revenues were approximately $203,000 less than budgeted and expenditures were approximately $422,000 more than budgeted. Variances are not uncommon. The business office will implement more conservative budget projections.

As with the year ended June 30, 2025 the federal Office of Management and Budget has once again not release the final Compliance Supplement. The Compliance Supplement is necessary for auditors to complete the Single Audit which is the audit of Federal expenditures. To meet the November 1 State of Michigan filing deadline, the Single Audit will be issued separately once the Compliance Supplement is released.